

V. KTRS Supports Bonding Proposal

Kentucky Teachers' Retirement System Applauds Governor's Proposal

*Looks Forward to Long-term Solution to Pension
Issue from General Assembly*

FRANKFORT, KY, Jan. 20, 2010 – The Kentucky Teachers' Retirement System (KTRS) today thanked Governor Beshear for inclusion of a Pension Obligation Bond in his new two-year budget proposal. The bond would repay the balance of the monies that the General Assembly has redirected from the contributions to the KTRS pension fund to pay for health insurance benefits for retired teachers and fund those benefits for the two fiscal years of the upcoming budget biennium.

"We are grateful the Governor has addressed this important issue," said Executive Secretary Gary Harbin. "This is a step in the right direction that will return redirected contributions to the fund, further securing the retirement benefits for all retired teachers in Kentucky."

KTRS' investment consultant, Ennis Knupp + Associates is experienced working with Pension Obligation Bonds in many other states and will assist KTRS should the bond be included in the final budget bill enacted into law.

KTRS continues to work toward a consensus among its constituent groups including active and retired teachers, the State, and school districts to provide a long-term solution to fund retiree health care in the future without redirecting further contributions from the pension fund.

"We have developed significant momentum among these constituent groups," said Mr. Harbin. "KTRS has brought the various stakeholder groups to the table and we are developing a plan of shared responsibility to resolve this issue. We are pleased with the positive feedback we have received from members of the General Assembly and will continue to work with the legislature to develop a fiscally sound long-term solution to the issue of funding retiree health care. Retired teachers and current teachers are counting on this leadership."

About KTRS

Headquartered in Frankfort and established by law in 1938, Kentucky Teachers' Retirement System currently serves over 72,700 active members, and over 39,300 retirees. The System has a significant economic impact, paying out \$109 million in monthly annuity benefits and \$14 million in medical benefits to retired teachers. KTRS has been a top-performer when compared with 30 major statewide pension plans. As of June 2009, the System ranked in the top 5%.

*On behalf of Kentucky Teachers' Retirement System
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